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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

25X1A

COUNTRY Indonesia

SUBJECT Possible Development of Natural Resources

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THIS IS UNEVALUATED INFORMATION

1. If present plans for the rehabilitation of the Pamcla nickel mine in Kolaka, Southeast Sulawesi (Celebes) go through, a yearly nickel output of at least 20 thousand tons would be assured. Over 35 thousand workers would be employed - a number which could readily be sustained, as there are over 75 thousand acres of rice land in the vicinity. Exploitation of this mine was begun in 1935 by the N V Oost Borneo Mij, under a 40-year concession. The Japanese took it over during their occupation of Indonesia, but work was not resumed by the company after 1945. Only four employees are now on the site, serving as watchmen over the idle installations. The cost of restoring the mine is estimated to be in the neighborhood of 15 million rupiahs, [US\$1.5 million].
2. West German industrialists are reported to be interested in assisting in the development of the Bukit Asam and Sawah Lunto coal mines. A team of German experts, recently in the area, are quoted as saying that the coal deposits in Central and South Sumatra are extensive enough to make this region the largest coal-producing center in Southeast Asia. These sources assert that the output of the Bukit Asam mines could be raised to between 1.5 and two million tons annually, meeting Indonesia's industrial requirements and permitting increased exports. They placed the resources of the Ombilin mines at 200 million tons. German interest apparently arises from the fact that coal from these mines is especially suited for chemical industry purposes.

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